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Question 1

Question Type: MultipleChoice

Lee is a procurement manager at Real Pirates Ltd and he has a contract with Peg Leg Industries for the supply of fake, wooden legs for his team of Pirates. Real Pirates Ltd have been working with Peg Leg Industries for almost 10 years but recently Lee has discovered he will need to terminate the contract due to 'Contract Frustration'. What could be the reason for this?

Options:

- A- The supplier has committed a material breach
- B- An unexpected incident has occurred beyond anyone's control
- C- The supplier has become insolvent
- D- The supplier has leaked confidential information about Real Pirates Ltd to a competitor

Answer:

B

Explanation:

The correct answer is 'An unexpected incident has occurred beyond anyone's control'. A good example of this would be the Covid-19 pandemic- neither the buyer nor supplier could have predicted this, and if this means that the contract can't be completed -- then the contract can be terminated (in the UK at least). A way to avoid this would be to include a Force Majeur clause listing possible circumstances that could occur. When there's a Force Majeur clause, these eventualities are now classed as foreseen rather than unforeseen. See p.108

Question 2

Question Type: MultipleChoice

Kirsty is designing a specification for a new contract and wants to include some qualitative KPIs for the new supplier, as well as quantitative. Which of the following could she include? Select TWO.

Options:

- A- Deliveries in full and on time
- B- Information sharing
- C- Trust
- D- Cost savings

E- Early supplier involvement

Answer:

B, C

Explanation:

The correct answers are information sharing and trust. Further qualitative KPIs are listed on p.102. Deliveries in full and on time would be a quantitative KPI and early supplier involvement is not a KPI at all.

Question 3

Question Type: MultipleChoice

Early Supplier Involvement can be described as a collaborative relationship between a buyer and a supplier to develop a new project. Handfield's model describes four different levels of supplier involvement ranging from none to 'black box' (which is when the design is primarily driven by the supplier). What other level features on this model?

Options:

- A-** Blue Box -- when the buyer creates the product without input from the supplier
- B-** Red Box- when the supplier provides legal advice to the buyer on areas such as copywrite
- C-** White Box -- when there is informal integration and the buyer consults with a supplier on a design
- D-** Grey Box -- when the involvement is buyer driven

Answer:

C

Explanation:

The Handfield ESI model is on p.98 and comprises of Black Box, Grey Box, White Box and None. Therefore Red and Blue can be automatically discounted. The correct answer is White Box as the definition given is correct. Grey Box is a formalised supplier integration; joint development activity between buyer and supplier. I have no idea why Handfield calls his system after coloured boxes- but it's only briefly mentioned in the study guide and is not likely to be a big topic in the exam.

Question 4

Question Type: MultipleChoice

What is the correct order of the stages of team development?

Options:

- A- Forming, storming, norming, performing
- B- Forming, norming, performing, storming
- C- Storming, forming, performing, norming
- D- Storming, forming, norming, performing

Answer:

A

Explanation:

The correct answer is Forming, storming, norming, performing (p.91). Note; some people add on two additional stages to this; mourning and adjourning. The study guide forgets to mention this, but the exam may ask you about these additional stages. So I strongly recommend doing some further reading on this (it's called the Tuckman Group Development Model)

Question 5

Question Type: MultipleChoice

A supplier is working with a buyer who represents a large percentage of his business. Without this particular buyer, the supplier would likely go out of business. There has been a dispute in the last invoice which the buyer is not happy about. What technique should the supplier use when talking to the buyer about this?

Options:

- A- Competing- the supplier needs to earn more money as they are struggling financially
- B- Avoiding- the supplier should avoid talking with the buyer as this may result in conflict
- C- Accommodating- the supplier should show a large degree of co-cooperativeness as the buyer is important to their survival
- D- Accepting -- the supplier should accept that conflict should sometimes occur in buyer: supplier relationships and work hard to avoid them

Answer:

C

Explanation:

The correct answer is 'accommodating'. This Question: is based

on the Thomas-Kilmann Conflict model on p.87. This comes up quite a bit in the exam. It is comprised of 5 techniques for dealing with conflict; competing, collaborating, compromising, avoiding and accommodating. In this instance, the supplier should have a high degree of co-cooperativeness and a low degree of assertiveness as the long-term relationship is very important- more important than the

outcome of the disputed invoice.

Question 6

Question Type: MultipleChoice

Which of the following are valid strategies for dealing with conflict? Select THREE

Options:

- A- Competing
- B- Collecting
- C- Contesting
- D- Compromising
- E- Collaborating

Answer:

A, D, E

Explanation:

The three right answers are competing, collaborating and compromising. See the Thomas Kilmann Model on p.87. There are quite a few questions on this in the exam.

Question 7

Question Type: MultipleChoice

Mendelow's Stakeholder Matrix categorises stakeholders into four groups and provides insight into how these stakeholders should be managed. What is a limitation to using this Matrix to categorise stakeholders?

Options:

- A-** Nowadays, Stakeholders fall into more than four categories
- B-** The Matrix doesn't consider the power these stakeholders have
- C-** The Matrix doesn't consider whether the stakeholder is for or against the activity
- D-** The categories are hard to remember

Answer:

C

Explanation:

The correct answer is 'The Matrix doesn't consider whether the stakeholder is for or against the activity'. For a list of other limitations of using Mendelow's Stakeholder Matrix see p.82

Question 8

Question Type: MultipleChoice

The procurement department is sourcing new uniforms for its housekeeping team. Although the housekeeping team in itself doesn't hold a lot of power within the business, they have a high interest in the activity as it will be them who is wearing the items. When designing the specification, how should the procurement department manage the housekeeping team?

Options:

A- Keep them satisfied- they will be wearing the uniform so need to be happy with it

- B-** Manage them closely- they're key players in this procurement activity
- C-** Keep them informed- it's important the housekeeping team know what's going on at each stage of the procurement
- D-** Minimal effort is required as they do not hold a lot of power in the business.

Answer:

C

Explanation:

The housekeeping team have low power and high interest. According to Mendelow's stakeholder matrix, this puts them in the bottom right corner which is 'keep informed'. See p.81 for more information

Question 9

Question Type: MultipleChoice

In public sector procurement, according to EU legislation, certain items must be procured via open-competition. What type of items are these?

Options:

- A- Items that are imported from outside the EU
- B- Items of high value
- C- Items of strategic importance
- D- Items that are produced by lots of suppliers

Answer:

B

Explanation:

The correct answer is 'items of high value'. This links into the EU procurement principle of 'Proportionality' meaning that the procurement process must be proportionate to the value of the contract. Therefore, high value contracts must be procured via competition. What is considered 'high value' is decided by 'thresholds'. These are amended every 2 years to account for inflation etc, but you don't need to know what the thresholds are for this exam. P.75

Question 10

Question Type: MultipleChoice

Mandy is looking to source windows and doors for a new build apartment block. She has done some initial research and has discovered that there are many suppliers in the marketplace that can supply the items she needs. As it is a high-value project she is thinking of running a formal tender. What should be Mandy's first step?

Options:

- A- Run an open competition -- send out an ITT
- B- Run a restricted competition -- send out a PQQ
- C- Run an open competition -- send out a RFQ
- D- Run a restricted competition- send out a RFI

Answer:

B

Explanation:

The correct answer is 'run a restricted competition -- send out a PQQ'. This Question: tests both

your understanding of when to run open and restricted competitions (which is explained on p.75) and your understanding of tender documents. Mandy should run a restricted competition- there are a lot of options in the marketplace and this will allow her to pre-qualify those who best suit her requirements. Running an open competition when there are lots of suppliers would be too time-consuming- you need a way of making a short-list. When you run a restricted competition, the first stage is sending out a PQQ- pre-qualification

questionnaire; this document is sent to suppliers asking for necessary information to support their qualification as an approved supplier.

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